DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Philadelphia Regional Office
Suite 216, The Public Ledger Building
150 S. Independence Mall, West
Philadelphia, PA 19106-3413

Northeast Division of Survey & Certification

August 8, 2013

John Sevier, Administrator
Carriage Hill Health and Rehabilitation Center
6106 Health Center Lane
Fredericksburg, VA 22407-6647

CMS Certification Number: 49-5396

CIVIL MONEY PENALTY - PLEASE READ CAREFULLY

Dear Mr. Sevier

After a careful review of the facts, the Department of Health & Human Services, Centers for Medicare & Medicaid Services (CMS) has determined that the Carriage Hill Health and Rehabilitation Center no longer meets the requirements for participation as a provider of services in the Health Insurance Program for the Aged and Disabled (Medicare) established under Title XVIII of the Social Security Act (the Act), and Medicaid, Title XIX of the Act.

To participate in the Medicare program as a provider of skilled nursing facility services, a facility must meet all of the provisions of Section 1819 (b), (c), and (d) of the Act. In addition, a skilled nursing facility must be in compliance with the Requirements for Long Term Care Facilities established by the Secretary of Health & Human Services, and be free of hazards to the health and safety of residents. If that facility participates in the Medicaid program, it must also meet all of the provisions of Sections 1919 (b), (c), and (d) of the Act.

On June 21, 2013, standard survey was completed at your facility by the Virginia Department of Health (State survey agency) to determine if your facility was in compliance with the Federal participation requirements for nursing homes participating in the Medicare and/or Medicaid programs. That survey report shows that your facility was not in substantial compliance with the participation requirements. The State survey agency informed you by their letter dated July 2, 2013 that they would recommend to CMS that your facility not be afforded the opportunity to correct deficiencies prior to the imposition of penalties.

As a result of the survey findings listed in the statement of deficiencies (Form CMS 2567) which were forwarded to you by the State survey agency after the survey listed above, we have determined that we must impose a civil money penalty (CMP) on your facility. In accordance with sections 1819(h)(2)(B)(ii) and 1919(h)(3)(C)(ii) of the Act, and the enforcement regulations specified at 42 CFR, part 488, we are imposing a per instance CMP.

Formal Appeal

In addition, if you disagree with this determination regarding the imposition of this CMP, you or your legal representative may request a hearing before an Administrative Law Judge of the Department of Health & Human Services, Departmental Appeals Board. Procedures governing this process are set out in 42 CFR §498.40, et seq. **A written request for a hearing must be filed no later than sixty (60) calendar days from the date of receipt of this letter.**

Such a request may be made to:

Department of Health & Human Services
Departmental Appeals Board, MS 6132
Civil Remedies Division
Attention: Karen Robinson, Division Director
330 Independence Avenue, SW
Cohen Building, Room G-644
Washington, DC 20201

A request for a hearing should identify the specific issues, and the findings of fact and conclusions of law with which you disagree. If a CMP has been imposed on more than one deficiency, please specify the deficiency or deficiencies that you are appealing. You may choose to appeal one per instance CMP (a specific amount assigned to a specific tag) while waiving your right to appeal other per instance CMPs. Your appeal should also specify the basis for contending that the findings and conclusions are incorrect. You may be represented by counsel at a hearing at your own expense.

Should you exercise your right to appeal, please send a copy of your appeal to:

Mr. James C. Newman, Chief Counsel
Office of the General Counsel
Public Ledger Building, Suite 418
150 South Independence Mall West
Philadelphia, PA 19106

If you waive your right to a hearing regarding the imposition of any CMP, in accordance with the requirements specified at 42 CFR §488.436, the amount of that CMP will be reduced by thirty-five percent **(35%)**. Waiver of your right to a hearing on any CMP constitutes your admission of the validity of the deficiencies for which that CMP was imposed, and would also preclude you from contesting those deficiencies for any other purpose, e.g., to appeal a denial of payment for new admissions to your facility or to appeal a termination of your provider agreement. Waiver of your right to a hearing on that CMP would, however, not preclude you from contesting the validity of other deficiencies or other surveys that may be the basis (or part of the basis) for some other action by CMS, e.g., a denial of payments for new admissions or a termination of your provider agreement. **If you would like to waive your right to a hearing regarding the imposition of any CMP, you must do so by submitting your written notice of waiver to the following address within (60) calendar days from the date of this notice**:

A per instance CMP is applied in specified amounts for specific deficiencies cited as the result of a single survey event. CMS imposed the following:

Federal Civil Money Penalty of $3,000.00 per instance for the instance cited on June 21, 2013 described at deficiency F0323 42 CFR 483.25(h) - Free of Accident Hazards/Supervision/Devices, which was cited at a scope and severity of "G".

In determining the amount of the CMP, we considered the scope and severity of the deficiency, the facility's history of non-compliance, the culpability of the facility and the financial condition of the facility.

It is not CMS's intent to impose CMPs that could, in and of themselves, put providers out of business. Consequently, if the provider has compelling evidence of financial hardship, we are willing, in the interest of the Medicare program and its beneficiaries, to consider a reduction in the CMP, or an extended repayment plan.

In order to properly consider your request to decrease the CMP because of financial hardship, we must review financial data from the provider. You must submit the required documentation (see final page of this letter) within fifteen (15) calendar days of your receipt of this letter for a complete evaluation of your request.

Independent Informal Dispute Resolution (Independent IDR)

In accordance with §488.431, when a civil money penalty subject to being collected and placed in an escrow account is imposed, you have one opportunity to question cited deficiencies through an Independent IDR process. You may also contest scope and severity assessments for deficiencies which resulted in a finding of Substandard Quality of Care (SQC) or immediate jeopardy. To be given such an opportunity, you are required to send your written request, along with the specific deficiencies being disputed, and an explanation of why you are disputing those deficiencies (or why you are disputing the scope and severity assessments of deficiencies which have been found to constitute SQC or immediate jeopardy) to:

Rodney Miller, Acting Director
Division of Long Term Care
Office of Licensure and Certification
9960 Mayland Drive, Suite 401
Richmond, Virginia 23233
804.367.2113
Fax: 804.527-4502

The State survey agency will convey your request to the entity which has been designated to conduct the Independent IDRs in Virginia. This request must be sent within 10 calendar days of the receipt of this letter. An incomplete Independent IDR process will not delay the effective date of any enforcement action.

Attention: Bernae Hinnant
Centers for Medicare & Medicaid Services
Suite 216, The Public Ledger Bldg
150 S. Independence Mall West
Philadelphia, PA 19106

If a CMP has been imposed on more than one deficiency, please specify whether you are waiving your right to appeal specific deficiencies or all deficiencies.

Do not send payment at this time. We will provide payment instructions to you. If you neither submit a written request for a hearing nor formally waive your right to appeal you will be assessed the full amount of the CMP.

Should we take additional enforcement actions against your facility at a later date, you will be notified of such actions, and the appeal rights attached to them. Please note that should enforcement actions result in the removal of your ability to operate a nurse aide training program, you will be notified of your appeal rights of that decision when the notification of the removal is released by the State agency having jurisdiction over such matters. Please note that these appeal rights are separate and distinct from the appeal rights cited above.

If you have any questions, please contact Bernae Hinnant of my staff at (215) 861-4286.

Sincerely,

Timothy J. Hock, Manager
Certification and Enforcement Branch

Required Documentation for Financial Hardship Claim

- Written, dated request specifying the reason financial hardship is alleged
- Brief summary listing the supporting documents that are being submitted
- Current balance sheet
- Current income statements
- Current cash flow statements
- Most recent full year audited financial statements prepared by an independent accounting firm (including footnotes)
- Most recent full year audited financial statements of the home office and/or related entities (including footnotes)
- Disclosure of expenses and amounts paid/accrued to the home office and/or related entities
- Schedule showing amounts due to/from related companies, or individuals, included in the balance sheets. The schedule should list the names of related organizations, or persons, and indicate where the amounts appear on the balance sheet (e.g., Accounts Receivable, Notes Receivable, etc.)
- If the nursing home requests an extended payment schedule of more than twelve (12) months duration, the provider must submit a letter from a financial institution denying the provider's loan request for the amount of the CMP.